



N A R U C  
National Association of Regulatory Utility Commissioners

August 6, 2004

The Honorable Michael Powell  
Chairman  
Federal Communications Commission  
445 12th Street, SW  
Washington, D.C. 20554

Re: ***Written Ex Parte Filing In the Matter of Provision of Directory Listing Information under the Telecommunications Act of 1934, As Amended, CC Docket No. 99-273***

Dear Chairman Powell:

The FCC released a Notice of Proposed Rulemaking on January 9, 2002, in this proceeding to examine if changes in the provision of directory assistance (DA) services by local exchange carriers (LECs) are needed to promote competition for retail directory assistance services. In the pending rulemaking proceeding, the FCC is considering a number of alternative proposals to promote retail DA competition. Competition allows consumers to judge the quality, price and choice of services, by dialing alternative services. Since the initial round of comments, the docket has remained relatively inactive.

At the winter 2004 meetings of the National Association of Regulatory Utility Commissioners (NARUC) held in Washington in March, NARUC adopted a resolution urging the FCC to take prompt action in this proceeding. The resolution supports retail DA competition in principle with several important caveats to preserve State autonomy to choose whether or not to adopt a nationally designated plan and State options even if a State adopts the national plan. This \$6 billion sector of the communications industry has seen rising prices in some areas and little change in the quality of service. One reason may be that the retail DA market is insulated from some competitive forces, because the incumbent provider holds the number "411." The resolution urges the FCC to, if necessary, update the record in this proceeding as a prerequisite to prompt action.

A copy of that resolution is attached.

As referenced earlier, NARUC's press for prompt action, is premised on a few very important caveats.

NARUC's support for retail DA competition is premised on the scheme adopted not interfering with State authority to regulate retail rates and require no-charge DA call allowances and no charge DA for individuals with specific disabilities

In addition, some of the proposals put forth in CC Docket No. 99-273 involve nation-wide elimination of the 411 dialing pattern or expensive presubscription plans to DA or costly substitute dialing patterns. This resolution specifically asks the FCC to avoid adopting such a plan – though a proposal for an alternate dialing string is permissible as long as the particular State involved concurs in or does not object to such action. Because many recently implemented changes in structure to telecommunications service offerings have resulted in a series of unpopular surcharges on all subscriber lines, NARUC opposes any competitive retail DA scenario that involves a costly presubscription plan or any plan that involves a surcharge applied to all subscriber lines to recover conversion or ongoing costs.

The Telecommunications Act of 1996 calls for competition in all telecommunications markets. I believe the time is ripe for competition in the directory assistance market. NARUC believes that consumers can benefit from the price and quality competition that will result from the opening up of the DA market in the specific manner outlined above.

I am writing to reiterate NARUC's call for prompt FCC action in this proceeding.

Sincerely,

Robert B. Nelson  
Commissioner, Michigan PSC  
Chairman, NARUC Telecommunications Committee

cc: Commissioner Kathleen Abernathy  
Commissioner Jonathan Adelstein  
Commissioner Michael Copps  
Commissioner Kevin Martin

Chris Libertelli  
Matthew Brill  
Scott Bergmann  
Jessica Rosenworcel  
Dan Gonzalez

### ***Resolution Regarding Retail Directory Assistance Competition***

WHEREAS, The FCC released a Notice of Proposed Rulemaking on January 9, 2002, in CC Docket No. 99-273, on whether changes in the provision of directory assistance (DA) services by local exchange carriers (LECs) are needed to promote competition for retail Directory Assistance services; *and*

WHEREAS, The Federal Telecommunications Act of 1996 sought to promote competition in all telecommunications markets; *and*

WHEREAS, According to the FCC's NPRM, consumers spend more than \$6 billion on Directory Assistance; *and*

WHEREAS, In areas of the country where the retail DA rates are not regulated, customers have seen steady or increasing prices since 1996; *and*

WHEREAS, Competitive DA providers have emerged at the wholesale level in the wireless, CLEC and large end-user markets and their entry has produced such innovations as automatic call completion and enhanced DA services such as movie listings, driving directions, and restaurant reservations; *and*

WHEREAS, Some of the proposals put forth in CC Docket No. 99-273 involve nation-wide elimination of the 411 dialing pattern or expensive presubscription plans to that number or costly substitute dialing patterns; *and*

WHEREAS, Many recently implemented changes in structure to telecommunications service offerings have resulted in a series of unpopular surcharges on all subscriber lines; *and*

WHEREAS, Consumers could realize benefits in the form of lower prices and expanded services if the retail DA market were subject to increased competition; *and*

WHEREAS, Many States have provided consumers with a minimum number of free calls per month to obtain a telephone number and also have ensured persons with disabilities, including the blind, and severely motion and mobility impaired have access to free DA to obtain telephone numbers; *now therefore be it*

RESOLVED, That the Board of Directors of the National Association of Regulatory Utility Commissioners (NARUC), convened in its 2004 Winter Meeting in Washington, D.C., supports retail Directory Assistance competition in concept as long as it is developed in a manner that preserves each State's authority over DA within its jurisdiction, is not overly costly, and does not involve per-line surcharges; *and be it further*

RESOLVED, That, if necessary, the FCC should take prompt action to update the record in CC Docket 99-273; *and be it further*

RESOLVED, That the FCC should take prompt action to promote retail DA competition, except that no FCC decision to adopt an alternative dial string in order to promote retail DA competition shall go into effect in a State unless that State concurs in or does not object to such action; *and be it further*

RESOLVED, That NARUC does not support a competitive retail DA scenario that involves a costly presubscription plan or any plan that involves a surcharge applied to all subscriber lines to recover conversion or ongoing costs; *and be it further*

RESOLVED, That if the FCC decides to adopt policies to promote retail DA competition and a State adopts such, it shall not impair the ability of any State to: 1. require that each subscriber is able to receive a minimum number of free telephone number inquiries. 2. require that, consistent with the federal policy, disabled subscribers, including the blind and severely mobility or motion impaired, are able to access free telephone number inquiries. 3. regulate the retail price subscribers are charged by providers of DA for telephone number inquiries. *and be it further*

RESOLVED, That the NARUC General Counsel is authorized to file and take appropriate actions to further the intent of this resolution.

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*Sponsored by the Committee on Telecommunications*

*Adopted by the NARUC Board of Directors March 10, 2004*